



COMMONWEALTH of VIRGINIA
Department of Planning and Budget

Richard D. Brown
Director

200 N. Ninth St., Room 418
Richmond, VA. 23219

April 21, 2003

MEMORANDUM

TO: Selected Agency Heads and Budget Officers of State Agencies and
Institutions of Higher Education

FROM: Richard D. Brown
Director

SUBJECT: Instructions for Developing the 2004-2010 Capital Budget Requests

Recently, the Governor issued his Capital Implementation Plan (CIP). This plan, which is available on the DPB website, describes the timeframes and costs associated with implementing the 310 capital projects approved by the 2002 session of the General Assembly. As part of the CIP legislation (Chapter 839, 2002 session of the General Assembly), the Governor is also required to submit a six-year capital improvement plan in November 2003. The plan must include all projects that the Governor deems necessary for the next six years. In this case, it is for the period FY 2004 through FY 2010.

As the first step in the development of this plan, the Department of Planning and Budget (DPB) has placed out on its website the instructions for developing your agency's six-year capital plan for the next three biennia. These instructions, along with the pertinent forms, can be found on our "Documents and Forms" page at www.dpb.state.va.us. Consistent with the legislation, you will note that these instructions continue to place an emphasis on long-term capital planning. Your agency's strategic plan, master site plan, and six-year capital outlay plan should be the basis for requested capital outlay funding.

Because of the size of the current CIP and its debt package (seven chapters authorized the issuance of nearly \$1.7 billion in debt for the completion of 310 capital projects on Virginia's college and university campuses, in the state parks system, and for a variety of other state-owned cultural institutions and properties) and the Commonwealth's current revenue situation, I anticipate that capital funding will be limited to a relatively small number of projects that mainly address emergencies or increased costs to projects included in the current CIP. You should continue planning for long-range capital needs; however, you should not expect too many requests to be approved for detailed submissions during this cycle.

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Most of the submission requirements are the same as last biennium. The time frames for the process are more compressed as we expect fewer submissions to be funded. Any changes of note are highlighted in the Introduction under "What's New." You will also be asked to update the draw schedule for projects in the current CIP. As in the past, the submissions will be due at different times.

Please review carefully the first two pages of the instructions ("Introduction") to obtain a better understanding of the requirements. You may be particularly interested in the submission calendar. The first portion of your plan is due on May 23, 2003. At this time, you are to submit summary information on all projects requested for the six-year period as well as detailed information on capital leases and maintenance reserve subprojects being proposed for the 2004-2006 biennium.

Your DPB analyst is available to answer any questions you or your staff may have.

c: Cabinet Secretaries
Agency Heads
Presidents of Institutions of Higher Education
Richard D. Brown, Director, Department of Planning and Budget
D. B. Smit, Director, Department of General Services
Jody M. Wagner, Treasurer, Department of the Treasury
DPB Associate Directors and Budget Analysts